MULTIMEDIA UNIVERSITY ®

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

# FINAL EXAMINATION

**TRIMESTER 2, 2016/2017**

## BAE1024 – ADVANCED MANAGEMENT ENGLISH

11 March 2017
2.30 p.m. – 4.30 p.m.
(2 Hours)

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**INSTRUCTIONS TO STUDENT**

1. This question paper consists of **EIGHT** printed pages with **3** sections.
2. Answer **ALL** Sections.
3. Write all your answers in the Answer Booklet provided.

## SECTION A: NOVEL [20 MARKS]

**Instructions:** Answer the following questions based on the novel entitled "The Monk Who Sold His Ferrari".

**Question I (10 marks)**
**Instructions:** Answer the question below.

a. In the fable, the garden represents the mind. Discuss how the garden is symbolically applied in nurturing one's mind. (4 marks)

b. Explain how the deathbed mentality has the power to change your everyday life. (6 marks)

**Question II (10 marks)**
**Instructions:** Choose **ONE** of the following questions and write your answer in **NOT MORE** than 200 words.

a. The secret of happiness is simple: *find out what you truly love to do and direct all your energy towards doing it. Once you do this, abundance flows into your life and all your desires are filled with ease and grace*. In the fable, The Heart of the Rose symbolizes the virtue of Master Your Mind. Explain the technique that is applied to this quote. (10 marks)

b. In the novel Julian states that , "building self-control and discipline into your life will also bring you tremendous sense of freedom. This alone will change things." In the fable, the pink wire symbolizes the virtue of Self-Discipline. State and explain the TWO techniques suggested by this virtue. (10 marks)

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## SECTION B: READING AND VOCABULARY [20 MARKS]

**Instructions:** Read the following passage and answer the questions that follow.

### Why Latin America's Multinationals Are Struggling To Go Global

1 Latin American companies have been expanding their horizons over the last couple of decades. From Brazil's Embraer, which has become a world leader in regional jets, to Mexico's Cemex, which has become a world-leading cement producer, the rise of these companies has been much-feted. The start of the 21st century has been **heralded** as "the decade of the multilatinas". However, it's been slow going for many smaller companies with multilatina ambitions. And expanding beyond the Latin American region has proven particularly difficult for some, especially when it comes to entering developed and advanced markets.

2 Only a handful of Latin American corporate giants have done so. As well as Embraer and Cemex, there is Mexico's Grupo Bimbo. It now has the largest bakery in the world, reaching 95% of the Wal-Marts, Krogers, and Costcos in the US with its baked goods. Colombian coffee producer and café chain Juan Valdes is giving Starbucks a run for its money, also in the US. *These firms*, however, are relatively exceptional. As Northeastern University academic Alvaro Cuervo-Cazurra has argued, it is more common for Latin American firms to expand within the region, and then struggle to make the next move into the wider world. This has been the case for the Chilean retail giant Falabella and Peruvian household goods firm Alicorp. Others, such as Peruvian fast food chain Bembos, have expanded beyond Latin America, but into other emerging markets such as India in this case.

3 One of the reasons why multilatinas struggle to internationalise beyond Latin America is that they face different political, legal, technological and cultural environments particularly with regard to the labour market. As MIT professor Ben Ross Schneider has shown, Latin American businesses tend to be family-controlled, unions are weak and short-term employment is common. There is also little investment in skills and training, with workers having a relatively low education level.

4 This means that companies such as Alicorp find it relatively easy to compete in markets with similar conditions. However, it is far more difficult for them to go up against competitors with better access to cutting-edge technology and production methods.It also means that multilatinas struggle to compete in environments where workers are more highly skilled and organised, companies are owned by shareholders rather than families, and, as a result, have more professional managers.

5 While some Latin American business groups have access to significant financial resources for investment, many simply are not able to invest on a scale that would allow them to compete with much larger global rivals. Or they take on dangerously high levels of borrowing in an attempt to do so. This was the case with Cemex, which borrowed heavily in order to fund overseas acquisitions before being hit by the **downturn** in key markets during the global financial crisis.

6 This is why household goods, retail, food and beverage and banking giants within Latin America often do not compete with multinational players outside the region, even if they have been relatively successful within it. Plus, the failure to

**Continued ...**

expand outside Latin America means many firms have struggled to resist overtures from international multinationals and end up giving them entry to more local markets. This has led to the banking sector throughout the region being dominated by foreign players such as Spain's BBVA and Santander, and Canada's Scotiabank. Coca Cola, meanwhile, has acquired significant competitors such as Peru's Inca Kola, drowning out the competition.

7 A new generation of high-tech multilatina has emerged in recent years, which have internationalised extremely rapidly. A prime example is Easy Taxi, a taxi-hailing app founded in Brazil that is now used in 420 cities in Latin America and as far afield as Singapore, Saudi Arabia and Nigeria. It has been extremely successful by working with established taxi companies that provide a premium service. This has made it popular with the region's growing middle class, which is concerned about crime and insecurity.

8 This is in sharp contrast to much larger online taxi companies such as Uber, which has been criticised for it **vetting** of drivers and potential safety risks. It has also faced hostility from established taxi drivers as an upstart competitor. For this reason, Easy Taxi and similar companies such as Cabify which was founded in Spain, but has expanded rapidly throughout Latin America have secured a significant head start in the region's vibrant and **lucrative** taxi market.

9 But *they* will face a growing threat from Uber, which is making an effort to improve its background checking procedures in Latin America and to ensure a high **calibre** of drivers. And, perhaps more importantly in the long-run, Uber has a more sophisticated and better-resourced technological platform. This could make its dominance inevitable, despite the latter's first mover advantage.

10 The taxi app competition illustrates a key challenge for the region's emergent tech giants being able to invest aggressively enough to keep up with the technology, while also responding to international giants adapting to local market conditions. While in some countries, such as Mexico, governments have intervened to regulate Uber, experience elsewhere suggests this is possible only in the short-term, with Uber adapting rapidly to regulatory hurdles in markets in which it seeks to compete.

11 While some of Latin America's largest business groups, such as Mexico's Telmex, owe success to close relations with government, the region's governments have yet to show much effectiveness in promoting their corporate giants as they seek to expand overseas.

Adapted from Conversation. *Why Latin America's multinationals are struggling to go global.* Retrieved on October 6, 2015. Available at http://theconversation.com/why-latin-americas-multinationals-are-struggling-to-go-global-48281.

**Question I Contextual Clues (5 marks)**

**Instructions:** Based on the passage, choose a word or phrase that **BEST** expresses each of the following words.

1. heralded(line 5)
   A. signalled
   B. advertised
   C. acclaimed
   D. announced

**Continued ...**

2. downturn (line 39)
   A. decay
   B. retreat
   C. plunge
   D. stagnation

3. vetting (line 57)
   A. searching
   B. screening
   C. pondering
   D. considering

4. lucrative (line 61)
   A. notable
   B. profitable
   C. auspicious
   D. serviceable

5. calibre (line 64)
   A. strength
   B. affection
   C. connection
   D. competence

**Question II True or False Statement (5 marks)**

**Instructions:** Read the following statements and write **T** if the statement is true and write **F** if the statement is false.

1. Multilatina companies are able to succeed globally if they have better access to technology and production methods.

2. Alicorp is able to compete in markets that have highly skilled workers, organized companies owned by shareholders and with professional managers.

3. The primary purpose of this passage is to suggest ways that Latin American companies can expand beyond Latin America.

4. Multilatina companies borrow heavily so that they can expand beyond America and not being hit by the global financial crisis.

5. Mexico's Telmex is only able to be successful within the region and not beyond Latin America due to lack of support from the government.

**Continued ...**

**Question III Comprehension (5 marks)**
**Instructions:** Answer the following questions.

1. What is the writer referring to when he states "these firms" in line 13?
   A. Falabella, Alicorp and Bembo
   B. Walmart, Kroger and Costcos
   C. Embraer, Cemex and Mexico's Grupo Bimbo
   D. Starbucks and Colombian cafe and coffee chain

2. Why does the writer say that 'these firms are relatively exceptional (lines 13-14)? This is because these companies_____.
   A. struggled to move globally
   B. expanded only within the region
   C. expanded beyond Latin America
   D. emerged into other markets such as India

3. Multilatina companies are struggling to compete globally for all the following reasons **EXCEPT**
   A. tech troubles.
   B. investor power.
   C. skilled labor market.
   D. global financial crisis.

4. Multilatina companies are unable to internalize beyond Latin America; therefore the only viable solution for them is to _____.
   A. compete with international multilatina companies
   B. resist offers from other international multilatina companies
   C. allow international multilatina companies to enter local markets
   D. borrow at high level to invest at a scale to compete with global rivals

5. What tone is used in paragraph 11?
   A. Anger.
   B. Sarcasm.
   C. Annoyance.
   D. Disappointment

**Question IV Comprehension (5 marks)**
**Instructions:** Answer the following questions in **COMPLETE** sentences.

1. What is the referral word ***they*** in line 62 being referred to ? (1 mark)

2. What are the reasons that lead to Uber not getting a headstart in the region unlike Easy taxi? (3 marks)

3. Explain the phrase "uber adapting rapidly to regulatory hurdles in the market (line 72)? (1 mark)

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## SECTION C: GRAMMAR [20 MARKS]

**Question 1 Error Identification (10 marks)**

**Instructions:** For questions 1 to 10, identify the underlined options that are INCORRECT. Choose the option that contains an error concerning the following aspects: run-ons, sentence fragments, parallelism or faulty modifiers.

1. An investigation into the workplace culture of Apple published in May found that (A) Steve Job's control even (B) extended as far as the design (C) of the company bus and the food served at the cafeteria by Fortune Magazine (D).

2. Clear and effective communication in business can only be achieved when (A) information is successfully transferred between parties in a manner. Which (B) leaves little to doubt regarding the decision made, (C) directions given or actions which will occur. (D)

3. In the competitive start-up world, even (A) the shrewdest entrepreneurs with the latest and great (B) gadgets can find themselves thrown unexpectedly into legal quagmires that (C) could derail or blow up a dream before it gets off the ground (D).

4. Since technological mobility has such (A) profound effects on everyday life, it (B) is not surprising that private (C) mobile devices have found a purposeful home naturally. (D)

5. Online reputation management seeks (A) to improve or restores (B) the good standing of a company's name or brand. This (C) is achieved by creating and promoting positive material that counters, (D) weakens or eliminates negative sentiment around the internet.

6. Pop entertainment companies particularly (A) good at using YouTube and other social media to raise (B) awareness of new artists and music, interact (C) with fans, and distribute (D) music at relatively low cost

**Continued ...**

7. Some experts have (A) advised that a company should never apologize. Even (B) when it knows it has made a mistake, as (C) the apology might be taken as a confession of guilt that (D) could be used against the company in a lawsuit.

8. Salesforce is another example of a company that (A) actively promotes innovation in fact, (B) they have been recognized by Forbes as (C) the Most Innovative Company for (D) the past several years.

9. BP committed several PR mistakes that (A) no company should ever make (B) in the eye of the public. Especially (C) a company that had made a mistake that (D) impacted so many different people and businesses.

10. Worldwide business organizations have discovered that intercultural communication is a subject of importance not just (A) because of increased globalization, but (B) also because their domestic workforce growing (C) more and more diverse, (D) ethnically and culturally.

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**Question II Error Analysis (10 marks)**

**Instructions:** The following extract contains 11 errors in sentence fragments, run-ons, parallelisms and faulty modifiers. Identify 10 errors and correct them as shown in the example The first error is stated as the example.

**EXAMPLE:**

| No | Line | Error | Correction |
|---|---|---|---|
| 0 | 1 | ... tycoons. Elon Musk ... | ... tycoons, Elon Musk ... |

**Elon Musk's Empire. Countdown**

Like most technology **tycoons. Elon Musk** exudes disdain for finance. Convertible bonds and lease accounting are problems for Wall Street, while the visionaries in California focus on driverless cars and space travel. Yet while he might be loth to admit it, Mr Musk has become America's most audacious corporate financier as well as its best-known entrepreneur. In just over a decade he has created an empire valued at a cool $44 billion. Despite its heavy losses.

As has been the case for a decade, Mr Musk's businesses face a difficult struggle to sustain their market valuations over the next 18 months, and to bolster confidence he is expected to unveil new financial measures and also new products over the next few weeks. Mr Musk has repeatedly defied the odds. But the stakes have got bigger now that shareholders, creditors and counterparties have tens of billions of dollars at risk. Tesla, an electric-car manufacturer, must ramp up production quickly and also meet the threat from new electric models designed by traditional car firms. Mr Musk wants to merge two of his firms, a company which installs rooftop solar panels, Tesla and SolarCity. Both firms burn up cash. He already has a place in American business history, but whether as a cautionary or inspire tale will soon become clear.

As a child growing up in South Africa. Mr Musk would enter trances in which he could imagine complex computer systems. His business can be visualised as having four parts. The biggest one is Tesla, which is publicly listed. SpaceX launches rockets for government and commercial clients and is financed by private investors. SolarCity is listed and struggling, so Tesla trying to buy it in a backdoor bail-out. Lastly there is Mr Musk's personal balance-sheet. It is rich in assets and his stakes in the firms are worth $13 billion he has little cash on hand.

Mr Musk dreams of populating Mars and of hyperloops that transport people in pods between Los Angeles and San Francisco in 35 minutes. But his financial objectives are probably identical to those of carpet or chewing-gum tycoons: to raise cash, to get a high valuation and keeps control. Mr Musk will adopt a more familiar approach: squeezing costs in the short term, dreaming up new products and explain how lean manufacturing techniques will allow his companies to revolutionise their industries. Mr Musk's most extraordinary creation may not be cars or spacecraft, but a business empire that works only if risky companies perform perfectly on ambitious plans with a financial structure. Mr Musk is orbiting the earth with no easy way down like an astronaut.

Adapted from The Economist. *Elon Musk's Empire. Countdown.* Retrieved on October 22, 2016.Available at http://www.economist.com/news/business/21709061-entrepreneurs-finances-are-jaw-dropping-inventive-and-combustible.

**End of Paper**